

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 12/16/2014	(3) CONTACT/PHONE Nikki J. Schmidt 805/781-5496	
(4) SUBJECT Request to approve Amendment No. 2 to the agreement with MarketCher to provide administrative services to the San Luis Obispo County Tourism Improvement District (CBID). All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve Amendment No. 2 to the agreement with MarketCher to provide administrative services to the San Luis Obispo County Tourism Business Improvement District (CBID) to include annual cost of living adjustments when applicable.			
(6) FUNDING SOURCE(S) County Business Improvement District assessment	(7) CURRENT YEAR FINANCIAL IMPACT \$2,640.00	(8) ANNUAL FINANCIAL IMPACT \$2,640 for calendar year 2014	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Guy Savage			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Nikki J. Schmidt, Administrative Office

DATE: 12/16/2014

SUBJECT: Request to approve Amendment No. 2 to the agreement with MarketCher to provide administrative services to the San Luis Obispo County Tourism Improvement District (CBID). All Districts.

## **RECOMMENDATION**

It is recommended that the Board approve Amendment No. 2 to the agreement with MarketCher to provide administrative services to the San Luis Obispo County Tourism Business Improvement District (CBID) to include annual cost of living adjustments when applicable.

## **DISCUSSION**

The County, on behalf of the CBID, has contracted with Cheryl Cuming of MarketCher to provide administrative services since May 2010. Amendment No. 1 to the agreement was approved by the Board in December 2013 and extended the term of the agreement for two years beginning January 1, 2014. Since that time, the CBID Advisory Board did a compensation review of tourism managers/administrator positions of comparable tourism districts with the County. This study indicated that the annual cost for administrators or tourism managers was between \$59,000 (contract) to approximately \$99,000 not including benefits.

Ms. Cuming oversees the day to day operation of the district which is made up of approximately 730 lodging businesses that pay a 2% assessment fee to be used to market and promote the district. By ordinance, 1% is used to promote and market the entire CBID area while the remaining 1% is used to promote the local area from where the funds are collected. The seven (7) local areas of the district were designated by the Board of Supervisors in December 2010 and subsequently, approved advisory board members.

Ms. Cuming provides administrative support to not only the seven (7) local areas advisory boards but also to the five (5) contract local area administrative assistants. In addition, she oversees the work of two (2) contract employees for the CBID Advisory Board - an administrative assistant and accountant and works extensively with the CBID's contracted marketing agency.

In addition to the compensation review, the CBID Advisory Board members individually evaluated Ms. Cuming's performance. Feedback was solicited from each local area advisory board and administrative assistants as well. Overall, her performance was rated as exceeding job requirements.

At their September 17, 2014 meeting, the CBID Advisory Board voted to provide a cost of living adjustment based on the Consumer Price Index for the California region retroactive to January 1, 2014. For calendar year 2014, this increase equates to an increase of 2.2% or \$220 per month.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

The CBID Advisory Board approved forwarding this recommendation at their September 17, 2014. Administrative staff provides support and acts as the liaison between the County and the CBID. County Counsel reviewed the agreement for form and legal effect.

## **FINANCIAL CONSIDERATIONS**

As noted above, the CBID is funded by a 2% assessment of the rent charged per occupied room per night from lodging businesses (hotels, motels, bed and breakfasts, and vacation rentals) within the CBID. Ms. Cuming's annual compensation is funded completely out of those assessments and no County General Fund dollars will be used. The use of these funds for this activity is authorized by the ordinance which was originally approved by your Board on May 12, 2009 (Section 3.09.030 – Authorized Uses). This retroactive 2.2% equates to a total of \$2,640 for calendar year 2014.

## **RESULTS**

As a facilitator of a requested program, the County has not established performance criteria beyond the legal contractual obligations to expend the funds for identified purposes. The onus is on the designated contractors that are selected by the CBID Advisory to meet the expectations of the lodging business owners paying the assessment. The CBID Advisory Board will track the performance Cheryl Cuming of MarketCher during the term of this agreement.

## **ATTACHMENTS**

1. Amendment No. 2 to the Agreement for Employment Services
2. September 17, 2014 CBID meeting minutes